

Message Text

UNCLASSIFIED

PAGE 01 GABORO 01446 231743Z

63

ACTION AF-07

INFO OCT-01 ISO-00 EUR-12 INT-05 EB-06 TRSE-00 PM-03

NSC-05 SP-02 SS-15 RSC-01 CIAE-00 INR-07 NSAE-00 PA-02

PRS-01 USIA-15 OMB-01 CIEP-02 /085 W

----- 093509

R 231435Z OCT 74

FM AMEMBASSY GABORONE

TO AMEMBASSY LONDON

INFO SECSTATE WASHDC 5926

AMEMBASSY PRETORIA

AMCONSUL CAPETOWN

AMCONSUL JOHANNESBURG

UNCLAS GABORONE 1446

CAPE TOWN FOR EMBASSY

E. O. 11652: N/A

TAGS: PFOR BC

SUBJ: BOTSWANA GOVERNMENT NEGOTIATING TO TAKE FIFTY PER CENT
SHARE IN ORAPA MINE

REF : LONDON 13672

1. FOLLOWING IS THE BACKGROUND TO THE FINANCIAL MAIL STORY
REPORTED REFTEL.

2. ELECTION MANIFESTO OF THE RULING BOTSWANA DEMOCRATIC PARTY
(BDP) STATES IN PART THAT "THE BDP GOVERNMENT HAS EXERCISED ITS
RIGHTS UNDER THE 1969 AGREEMENT WITH DE BEERS TO RENEGOTIATE
CERTAIN ASPECTS OF THE AGREEMENT... IN VIEW OF THE FACT THAT
THE OPERATIONS AT ORAPA HAVE PROVED TO BE MUCH MORE PROFITABLE
THAN ORIGINALLY ENVISAGED, THE BDP GOVERNMENT IS COMMITTED TO
INCREASE ITS SHAREHOLDING IN THE MINING COMPANY FROM 15 PER CENT
50 PER CENT ... ADDITIONALLY, THE BDP GOVERNMENT IS COMMITTED
TO REPLACE THE EXISTING PROFITS TAX AND 5 PERCENT SALES ROYALTY
WITH A SINGLE SALES ROYALTY WHICH WILL, IN THE FUTURE, BE SUBJECT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GABORO 01446 231743Z

TO AMENDMENT BY THE GOVERNMENT IF AND WHEN CIRCUMSTANCES CHANGE...

ANY EXCESSIVE PROFITS WILL ACCRUE TO THE STATE. THESE NEW ARRANGEMENTS ARE LIKELY TO RESULT IN AN INCREASE IN THE GOVERNMENT'S SHARE OF THE PROFITS FROM ORAPA FROM ABOUT 50 PER CENT TO MORE THAN 75 PER CENT."

3. AT A PRESS CONFERENCE ON SEPT. 28, VICE-PRESIDENT Q.K.J. MASIRE CONFIRMED THAT NEGOTIATIONS WITH DEBEERS HAD BEEN GOING ON SINCE LATE 1973, AND THAT AGREEMENT SHOULD BE REACHED SOON. MAIN STICKING POINTS INCLUDE THE TAX AND ROYALTY PROVISIONS.

4. THE RAND DAILY MAIL OF OCTOBER 16 REPORTED THAT NEGOTIATIONS WERE UNDERWAY, CITING MANIFESTO STATEMENT IN PARA. 1. ABOVE, AND ADDING THAT "BOTSWANA GOVERNMENT SOURCES DENY THAT THERE IS ANY INTENT TO SEIZE CONTROL OF THE MINE, POINTING UOUT THAT THEY HAVE NOT ASKED FOR 51 PER CENT OF THE EQUITY." IT APPEARS THAT FINANCIAL MAIL STORY IS SIMILIAR TO THIS ARTICLE.

5. BOTSWANA DAILY NEWS OF OCT. 17, CITING RAND ARTICLE AND BDP MANIFESTO, QUOTED AN OFFICIAL IN THE MINISTRY OF MINERAL RESOURCES AS SAYING THAT "NEGOTIATIONS TO IMPROVE FINANCIAL ARRANGEMENTS IN THE MINING DEAL HAD NOT BEEN CONCLUDED."

6. COMMENT: EMBASSY HAS NO RPT NO INFORMATION TO INDICATE THAT TALKS HAVE BEEN CONCLUDED. FLURRY OF PUBLICITY IS PROBABLY ATTRIBUTABLE TO CURRENT ELECTION CAMPAIGN, AND BDP'S DESIRE TO SHOW IT IS TAKING A RELATIVELY HARD LINE WITH A MAJOR FOREIGN MINING CONCERN. AS RAND DAILY MAIL NOTES THEY ALSO NEED THE MONEY."

BOLEN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, NATIONALIZATION, INDUSTRY, MINING, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974GABORO01446
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740303-0166
From: GABORONE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741024/aaaaauct.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: LONDON 13672
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAR 2002 by chappeld>; APPROVED <11 FEB 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BOTSWANA GOVERNMENT NEGOTIATING TO TAKE FIFTY PER CENT SHARE IN ORAPA MINE
TAGS: PFOR, BC
To: LONDON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005